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December 20, 2005

Ex Parte

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: In the Matter of Developing A Unified Intercarrier Compensation Regime, CC Docket No. 01-92

Dear Ms. Dortch:

Verizon submits this *ex parte* in response to the Midsized Carrier Coalition's December 5, 2005 filing in the above-referenced proceeding, regarding the coalition's proposed solutions to "phantom traffic." Although Verizon agrees with the general substance of much that the coalition has proposed, some of the coalition's proposed rules, as currently worded, impose requirements on carriers that are not technically feasible to meet or that create conflicts with current rules or industry practices. The Commission therefore should not adopt the coalition's proposed rules as currently drafted, but rather should adopt rules that achieve many of the same goals without imposing infeasible or conflicting requirements, such as the rules proposed by Verizon.¹

As an initial matter, Verizon agrees with much that the coalition has proposed. For example, both the coalition and Verizon have proposed traffic labeling rules that properly focus on the information that carriers transmit via signaling. As Verizon explained in its own proposal, the

¹ See Attachment to Letter from Donna Epps to Marlene Dortch, CC Docket No. 01-92 (Dec. 20, 2005) ("*Verizon Proposal*") at 4-10 & Appendix A.

signaling stream itself is not designed for billing, but some of the information in signaling is relevant to jurisdiction – particularly, calling party number (CPN) and calling party charge number (CN) information – and is recorded directly from the signaling stream into the billing records or “terminating access records” created at the tandem. Thus, the jurisdictional information in terminating access records is only as good as the signaling information that the tandem provider receives from the previous carrier in the call path.²

Similarly, both the coalition and Verizon have proposed rules that properly recognize the different roles and responsibilities of originating carriers and intermediate carriers. As Verizon explained in its own proposal, only the originating carrier in a call path is able to signal the correct calling party number (CPN) and charge number (CN) as an initial matter. If the originating carrier fails to populate the CPN and CN fields, subsequent carriers in the call path will have no way of knowing what the CPN and CN should be and therefore cannot correct the originating carrier’s omission. Similarly, if an intermediate carrier in the call path removes or alters the CPN and/or CN information that the originating carrier correctly included in the signaling stream, subsequent carriers in the call path have no way of retrieving the original signaling transmitted by the originating carrier. Thus, although intermediate carriers should be held responsible for passing along the signaling information that they receive, to the extent technologically feasible, they should not be held liable if that information was missing or invalid when the call was received.³

Although Verizon supports these aspects of the coalition’s proposed rules, the coalition’s proposed rules, as currently worded, raise some concerns in that the proposed rules would impose obligations on carriers that are not technically feasible to meet or that create conflicts with current

² See *Verizon Proposal* at 7-8.

rules or industry practices. The Commission should ensure that any rules adopted address the following five technical concerns as follows:

First, the coalition's proposed § 51.902(a), much like Verizon's proposed rule, would require all originating carriers to transmit in call signaling the calling party's telephone number (CPN), the calling party's charge number (CN), or both. However, the coalition's proposed rule does not take account of existing rules regarding the signaling of call detail information. The Commission has already adopted rules related to Caller ID features that identify limited circumstances when carriers should not signal CPN information or may signal a CPN other than the actual calling party's telephone number. *See* 47 C.F.R. § 64.1601(d) & (e). Any proposed new rules regarding traffic labeling should make clear how that the exceptions to CPN signaling that are established in § 64.1601(d) and (e) continue to apply.⁴

Second, the coalition's § 51.902(b), much like Verizon's proposed rule, would require intermediate carriers to faithfully transmit the signaling information that they receive. However, the coalition's proposed rule does not take account of existing industry standards that require the modification of information in the signaling stream in a few limited circumstances. Call Forwarding features provide one example. Pursuant to well-established industry standards, when Customer A forwards his phone to another number, Customer A's carrier will replace the caller's CN in the signaling stream with Customer A's CN before sending the call on to the forward location. Any rules adopted by the Commission should make allowances for these long-standing industry standards.⁵

³ *See Verizon Proposal* at 8-9.

⁴ *See Verizon Proposal* at Appendix A.

⁵ *See Verizon Proposal* at 9.

Third, the coalition's proposed § 51.902(c), much like Verizon's proposed rule, recognizes that multi-frequency trunks (MF trunks) are not capable of providing SS7 signaling, and therefore establishes a different set of requirements for carriers using MF trunks. However, the coalition's proposed rule would require carriers using MF trunks to signal automatic number identification (ANI) with *all* calls. MF trunks are only equipped to transmit ANI on originating Feature Group D calls – it simply is not feasible for MF trunks to transmit ANI for any other calls. Any rules adopted by the Commission should fully acknowledge the limitations of MF trunk technology.⁶

Fourth, the coalition's proposed § 51.902(d) would require “any intermediate carrier that performs a tandem-switching or transiting function, when transmitting telecommunications traffic to a terminating carrier, to provide EMI records, indicating the carrier from which the traffic was received.” However, as drafted, this subsection appears to require tandem providers to provide EMI records in numerous situations in which industry standards do not require EMI records today and in which EMI records are simply unnecessary. For example, § 51.902(d), as written, would appear to require a tandem provider to record and provide EMI records even for local traffic that originates on its own network. Section 51.902(d), as written, would also seem to require a tandem provider to record and provide EMI records for local and/or intraLATA traffic exchanged among rural LECs, which in many cases is billed through IntraLATA Toll Originating Responsibility Plan (ITORP) arrangements. Moreover, § 51.902(d) appears not to be limited to tandem providers. The subsection, as written, would seem to require *all* intermediate carriers in a call path – including interexchange carriers, for example – to provide EMI records. Under industry standards, however, it

⁶ See *Verizon Proposal* at 8-9. As Verizon discussed in its proposal, calls that lack CPN and CN information due to the use of MF trunks are nevertheless billable. Carriers should use factoring to determine the jurisdiction and appropriate rating for such calls. See *id.* at 10-15.

is only the carrier at the first point of switching – for a terminating call, most often the tandem provider – that should provide EMI records to the terminating carrier. A rule requiring EMI records to be created for additional categories of traffic and by additional carriers in the call path would require carriers to make costly changes to their switch recording equipment and would create confusion as terminating carriers are forced to reconcile multiple records for a single call. The Commission should not adopt rules that would require changes to long-standing industry standards regarding the creation of EMI records.

Fifth, the coalition’s proposed § 51.903 would require all carriers in a call path – including tandem providers – “to route the traffic to the trunk group designated for such traffic according to its jurisdictional nature.” The coalition’s proposal would appear to require that all traffic with a CPN that appears to be long-distance be delivered over access trunks, and that all traffic with a CPN that appears to be local be delivered over local interconnection trunks. Such a requirement is infeasible because the type of trunk used by the tandem to complete the call to the terminating carrier is dictated by the type of trunk over which the tandem *receives* the call from the previous carrier in the call path. Contrary to some carriers’ assertions, a tandem switch does not – *and technically cannot* – review the CPN and CN data associated with each call it receives and sort that traffic onto different outgoing trunks according to jurisdiction. Rather, when the tandem receives traffic over an access trunk or a local interconnection trunk, it, the tandem will complete the call to the terminating carrier over the same type of trunk on which it arrived, regardless of CPN or CN. The Commission should not adopt rules that would require tandem providers to attempt to sort traffic onto different trunks according to jurisdiction.⁷

⁷ See *Verizon Proposal* at 15-18.

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In short, Verizon agrees in principle with much of the coalition's proposed rules. As discussed in more detail in Verizon's own proposal, Verizon agrees that rules governing the information that carriers must transmit via signaling form an important part in any phantom traffic solution. As detailed above, however, the rules proposed by the coalition, as currently drafted, would impose some requirements on carriers that are not technically feasible and that create conflicts with current rules and industry standards. The Commission therefore should not adopt the coalition's rules as drafted, but rather should adopt rules, such as the traffic labeling rules proposed by Verizon, that further the same goal of improving signaled call information but that do not impose infeasible or conflicting requirements.

One electronic copy of this Notice is being submitted in accordance with the Commission's rules.

Sincerely,

A handwritten signature in black ink that reads "Donna Epps". The signature is written in a cursive, flowing style.

cc: Scott Bergmann
Michelle Carey
Steve Morris
Tamara Preiss
Jessica Rosenworcel
Don Stockdale